

title "Building or Homestead Associations", to follow immediately after Section 161 thereof, providing generally for the organization, incorporation, operation, conduct, regulation of and supervision over the savings and loan business, which is known generally as the building, savings and loan or homestead business; providing further for the investments, withdrawal of accounts, taxation, membership, promotional activities, management and functions of such businesses, including class and type of securities, and allocation of profits, reserves and dividends; providing for the branching, consolidation, merger, dissolution, and revival of such businesses; making provision for conservators and receivers for such businesses; exempting accounts of such businesses from "Blue Sky Law"; creating a Board of Building, Savings and Loan Association Commissioners, and making provision for the members of such Board and for their qualifications, tenure, powers and duties; creating a Department of Building, Savings and Loan Associations, providing for a Director and for other officers and employees of this Department, and making provision for the appointment, duties, compensation, policy, powers and duties of all such officers and employees of this Department; providing methods for compliance with stock class requirements; providing penalties for failure or refusal to comply with certain provisions of this Act; and relating generally to the organizations and businesses known generally as building, savings and loan or homestead businesses in this State.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Sections 161A-161KK be and they are hereby added to Article 23 of the Annotated Code of Maryland (1957 Edition), title "Corporations", sub-title "Building or Homestead Associations" to follow immediately after Section 161 thereof, and to read as follows:

**161A. POLICY.**

*It is the declared policy of this State that:*

(a) *The savings and loan business, otherwise known as the building, savings and loan or homestead business, which is within the scope of this Article, has so expanded in recent years and has become so integrated with the financial institutions of this State and is so important as a method of promoting home ownership and thrift, that such business is affected with a public interest and shall be supervised as a business affecting the economic security and general welfare of the people of this State;*

(b) *Such business shall be conducted only by associations organized and conducted in accordance with the authority provided by this Article;*

(c) *The number and minimum size of the associations conducting such business shall be controlled in the interest of securely and efficiently serving the needs of the localities in which they operate;*

(d) *The public interest requires the promotion and fostering of the building, savings and loan or homestead business and the assurance of its financial stability;*

(e) *Such associations shall be organized for the purpose of accepting free share accounts and making loans to their members;*